

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7376**

**BILL NUMBER:** HB 1438

**NOTE PREPARED:** Feb 5, 2004

**BILL AMENDED:** Feb 4, 2004

**SUBJECT:** Economic Development.

**FIRST AUTHOR:** Rep. Klinker

**FIRST SPONSOR:**

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:** X GENERAL  
                                     DEDICATED  
                                     FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill establishes the Enterprise Zone Study Commission. The bill also changes the appointing authority for the Board of the Indiana Economic Development Corporation. The bill specifies that the Governor appoints all of the members of the Board. The bill also specifies that the Governor shall: (1) consider the recommendations of legislative leaders in making four of the appointments; and (2) consider the recommendations of state university presidents in making seven of the appointments.

**Effective Date:** (Amended) Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) Enterprise Zones: The bill establishes the Enterprise Zone (EZ) Study Commission to study means of assisting EZS in attracting businesses to downtown and disadvantaged areas, and ways of providing alternative funding for Urban Enterprise Associations. The Commission expires November 1, 2004. The Commission consists of 10 members and must operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees ranging from \$6,000 to \$9,000 per interim for committees with fewer than 16 members.

*Indiana Economic Development Corporation (IEDC):* The bill changes the appointing authority for IEDC Board members established under P. L. 224-2003. This change does not have a fiscal impact. Under the bill, (1) the Lt. Governor remains a member of the IEDC Board; (2) 15 members are to be appointed by the Governor who must be employed in, or retired from, the private or nonprofit sector. The bill requires the Governor to consider for one appointment each the recommendation of Speaker of the House of Representatives, President Pro Tempore of the Senate, House Minority Leader, and Senate Minority Leader; and (3) 7 members are to be appointed by the Governor who must be employed in, or retired from, the private or nonprofit sector, or from academia. The bill requires the Governor to consider for one appointment each

the recommendation of the presidents of Indiana University, Purdue University, Indiana State University, Ball State University, Ivy Tech State College, Vincennes University, and the University of Southern Indiana.

Under P. L. 224-2003, the IEDC Board is to be composed of 23 members, none of whom can be members of the General Assembly. The Lt. Governor is a member of the Board. The Governor, Speaker of the House of Representatives, President Pro Tempore of the Senate, House Minority Leader, and Senate Minority Leader each appoint three members of the Board. The presidents of Indiana University, Purdue University, Indiana State University, Ball State University, Ivy Tech State College, Vincennes University, and the University of Southern Indiana each appoint one member of the Board.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Legislative Council; Legislative Services Agency; Governor; Indiana Economic Development Corporation.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.